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**SPEAKERS**

Matthew Todd, Orrin Klopper

**Matthew Todd**

My name is Matthew Todd, and welcome to Inside the ScaleUp. This is the podcast for founders, executives and tech, looking to make an impact and learn from their peers within the tech business. We lift the lid on tech businesses, interview leaders and following their journey from startup to scale up and beyond covering everything from developing product market fit, funding and fundraising models to value proposition structure and growth marketing. We learned from that journey so that you can understand how they really work, the failures, the success the lessons along the way, so that you can take their learnings and apply them within your own startup or scale up and join the ever growing list of high growth UK SaaS businesses. Hi, welcome back to the podcast, really pleased today to be joined by Orrin Klopper, CEO of Netsurit. It's great to have you here today.

**Orrin Klopper**

Thanks so much, Matt. Looking forward to this discussion with you.

**Matthew Todd**

Absolutely. Obviously, we had a chat before the interview. Today, I'm really looking forward to finding out more about the journey about some of the lessons learned that we can bring to our audience today. But to kick things off, Orrin, give us a little bit of background about your yourself and your business.

**Orrin Klopper**

Yes, sure. I'm a dad, of a almost three year old. My daughter's name is Luca. My life partners name is Liezl and it was my birthday yesterday, the fifth of December. So I turned 48.

**Matthew Todd**

Happy Birthday for yesterday.

**Orrin Klopper**

Thank you. So hopefully, I'm sounding sharp, despite a few festivities last night. If I look back at how I ended up taking this path, I think at school, where I respected the teacher, I was great student, where I didn't necessarily respect to connect to the teacher, I was not a great student. Then at the university, I had the opportunity to do a lot of entrepreneurial things to help pay for my studies and very grateful that. A friend of mine invited me to come and sell computers and so forth, for his business. That was back in 95. I just realized that I really enjoy sales. I really enjoyed technology. That's kind of how the journey started. Today, we have offices in New Jersey, in Manhattan itself, New York, Cape Town, Johannesburg, Durban, and we have a growth strategy that focuses primarily on the US. We're just over 300 people. Our purpose is supporting the dreams of the doers. The primary pillar, that is our culture, and the aspirations of our culture, which is never perfect, I can see lots of stories of how we got it wrong. Then on the client side, it's about taking our knowledge of technology, and having a meaningful impact on the growth of their business. To conclude that, from an introduction perspective, we either are the IT department for our customers, or we will meet their IT department in a monthly retainer. Our customer profile is 25 to 1000 user environment.

**Matthew Todd**

That's a wide range. A pretty sizable business you've been able to build as well. I'd love to get into more details about many of those points you just raised. But going back to the beginning, in terms of getting the company off the ground, I'd love to hear a little bit more about your learnings in terms of finding that product market fit, and getting traction.

**Orrin Klopper**

I've been listening to an audio book called that $100 million offer by Alex Hormozi. The one example he references in the book is about how there was a shortage of toilet paper during COVID in the US. So if you had a business selling toilet paper that time you had a thriving business. He goes on to extrapolate that to say, if you launch a hot dog business, what do you want, you want a really hungry crowd. So in the early days of our business, we were blessed with a hugely neglected and hungry target market. Our target market, if you think back 95,96 97, 98 heading towards y2k, heading towards 2001, the first and most significant economic reset that had hit us in our in our early entrepreneurial journe. So how did we get market fit? So initially, we were just selling engineering calculators and computers to friends, family, quite a lot in the doctor community. Then gradually from there, we saw that there was more of a need to connect those computers and network them. Then as we progressed closer to the year 2000, it was quite clear that the SMB market were being exploited. We're being taken advantage of because technology was not their core business and yet it was such a powerful enabler, that it could empower them to be able to compete against much larger organizations, and they were being sold solutions, that were over and above what they really required. There was no predictability in their IT spend. It was pretty much 98, 99, that we realized there is a huge market here, it is a massive contributor to GDP globally, there were not many, if any service providers that have positioned themselves squarely in the SMB space to say, we are going to be a trustworthy provider, and partner to to that space. So that was kind of the initial real need was there. They wanted predictability and someone they could trust. So we actually built an offering, where if they were a good customer, and we had various ways of measuring how much of our time they used. So theoretically, we were charging, let's say $1,000 a month to look after them. So $12,000 in the year, and they were really good customer. They only used $9,000 of that based on the time and materials behind it. We took that additional $3,000, we gave $1,000 back to the customer. So there was kind of a balance, you know, in the relationship, we gave $1,000 to the engineer that primarily looked after that side. Then $1,000 we kept within the business. Pretty quickly, the customers were just signing up. So we realized there is something here that really has some gravity, and the customers are enjoying this predictable, reliable service.

**Matthew Todd**

I see. You're kind of using that mechanism as a way to build trust.

**Orrin Klopper**

Yes. So typically, if you look at our space, and the typical customer we're dealing with, they don't understand technology? They don't know what Kubernetes, it's not their business. They want someone that can really in a trustworthy way, take care of them, and ideally have a business model that takes the risk away from them.

**Matthew Todd**

Yeah, absolutely. I know, the 100 million dollar offer book, Alex Hormozi's book. I've been reading it a few times myself as well. I know that that element of risk and transfer of risk is something he speaks to as well in that in that book as one of the key reasons that people do or don't make buying decisions and value and trust the organizations they work with. So I think that's a really interesting point. Are there any other kind of things that you've done to help build trust or guarantees into the services that you offer?

**Orrin Klopper**

What we have had in our managed services offer for the longest time is in the first 90 days, if you're not happy, you can get out of the agreement. So it also puts some additional skin in the game from our side. The other piece that we've done is we offer a response and resolution time guarantee. So on average, we need to respond and resolve issues within a certain amount of time. Then for our innovative offering, which is really above our core managed service offering, where we look at process automation, adoption of technology and the way that your team are using technology, particularly in the Microsoft technology stack. You're paying us $5,000 a month for that service called innovate. We guarantee we will find you $60,000 worth of ROI before the end of the first year. So there again, it's taking the risk out of it for the customer. We formulated that before I read Alex's book. Then after the fact I was like okay, cool we accidentally got some stuff right. So now we're looking at Alex's book saying how can you reverse engineer some of the some of the thinking to amplify that particular offer?

**Matthew Todd**

I think it is often overlooked. We're talking to various startups, I think a lot of people can recognize the inherent value in providing those kinds of guarantees, but that a lot of people aren't brave enough to stand by their product enough to actually offer a meaningful guarantee. You see so many vague guarantees your satisfaction guaranteed, what does that mean? It means nothing if there's nothing in the contract to actually back that up right.

**Orrin Klopper**

We had a part of our leadership team, we did a retreat in upstate New York last week. It's a dynamic of faith here. It sounds like, almost like a spiritual or religious term, but I don't mean it. Well, I suppose you could, you could draw a parallel to it. As entrepreneurs, it almost needs to scare us a little bit. Guarantee needs to scare us a little bit. It's a function of momentum, right. So if you just look at some of the maths of a compelling product, or a good quality product plus a compelling offer, and let's say you spending, let's say, $2,000 a month on lead generation, just by virtue of having that compelling offer, or guarantee, you're gonna get greater traction, and you're gonna see a greater return on the existing on the existing investment. The nature of it, as well is keeping an open dialogue with a customer, where you you have a clause in the agreement saying, look, this is the first year of our guarantee, if they works, if this happens to be an imbalance, we do reserve the right to come back and reengage and so that you don't end up totally cornering yourself, but it takes place. But, for me, in our businesses, we've grown and when we first did that guarantee, all those years ago, back in late 90s, I think, was 99, early 2000, we came up with that reimbursement concept. I mean, we must be like, 20 people, 20, 30 people. I think it made people nervous, you know, initially, but it's kind of like, once you made that commitment, everybody's thinking about it, everybody's jumping in. Sure, maybe when that guarantee is made, you don't have every I dotted and every T crossed. But let me tell you now, as you close those customers, you can close the gaps very quickly.

**Matthew Todd**

Oh, absolutely. I like the thing that you said that those guarantees should scare you a little bit, I think it's a really, really good way to keep the products honest and not focus too much on the front end. But make sure that the back end can match that as well. And you know, that has numerous benefits in terms of being able to upsell retain customers reduced churn all those kinds of things as well, right?

**Orrin Klopper**

Yes, and the dynamic of the guarantee is, because you're taking some of the risk it and the way, ideally, what you've done is you bring the guarantee, you package your product in high value, delivery way, so that you actually pricing at a premium, when you've got premium profits coming in. There is a big anomaly that comes through, you've got the resource to be able to deal with it. But if you've gone in, like dirt cheap, and you've got hard costs to cover that, then then it's gonna create problems. Obviously, from a SaaS perspective, if you've got the product, it's bulletproof. You've got an MVP or version that really is rock solid. So the cost is low with each customer that might take it on. That's a different dynamic, but where you've got some premium and so basically, in my mind, if you're offering a compelling guarantee that's real, and really meaty, you should be able to charge a premium. Yeah,

**Matthew Todd**

I think it's one of many things that can differentiate you in the marketplace. If you go in the opposite direction, you know, with a range cheap offering, then you're not as differentiated, I can often just become then a race to the bottom in terms of pricing, which harms your ability to deliver a good product and service.

**Orrin Klopper**

Yeah, and maybe just to talk about that for a second. So if you look at the market map back when we started, it was almost a blue ocean. There were very few companies MSPs focused on the SMB market, and now such a red ocean. They are just in the US, depending on whose stats you believe they are between 30 to 40,000 MSPs. So the SMB market, okay, so that dynamic is so lucky. If you advertise yourself just as an MSP or just as providing security, it's such a red ocean, and through a well thought out offer, you can actually carve out a blue ocean within a red ocean.

**Matthew Todd**

Yeah, absolutely. If you're just competing on the same terms of everyone else, then there is, yeah, there's nothing to differentiate you. You're opening yourself up to those 30, 40,000 competitors. But if there's something you can do to make a point of differentiation, you can certainly reduce that comparison and set yourself above those other companies.

**Orrin Klopper**

Even if you look back to the classic work called Crossing the Chasm where they spoke around, I'm trying to remember the term were there to find that initial audience. Those initial adopters that will literally run through walls for you. So typically, if you look at that, it's, there's an industry, okay, and a vertical within that industry that that initial product is being used. Then there is a persona. So now when you're advertising, let's assume it's a it's a SaaS solution. It's for product managers, in the retail industry, that specifically focus on on fashion for kids. If you've got that niche. So now the guys getting an advocate for someone else saying, oh, we do we do generic for Product Management. This one says, product management, you know, for product managers in retail, focusing on on kids fashion, you're going to be able to charge a premium. AThat dynamic, I think just amplifies the how, how compelling the offense services that you're delivering?

**Matthew Todd**

I completely agree. Obviously you've been running Netsurit for quite a number of years. Now, as you mentioned, the competitive landscape has massively changed in that time as well, in terms of your own offering, then how have you managed to balance keeping it focused enough, whilst also making sure that you have enough market to serve at the same time?

**Orrin Klopper**

Going into 2019 and looking at some of our sales history, it looked not bad, organic growth. We unpacked it and we saw that over those two to three years preceding that there was some outliers of some bigger customers that kind of trickled through. It wasn't real marketing, that we'd found those customers, and thus, it was not sustainable and scalable. Then going into 2020, we had clear visibility of our to two of our biggest customers, we were going to lose. One was the global outsource, they were very happy with our service, and then the other where they were very, very happy with our service service, but they've mandated across the group that we're gonna take everything in house. So unrelated to COVID, nothing to do with COVID, or the impact it was having, we were losing two of our biggest customers, and our lead generation and organic growth was in a massive hole. At the same time, we were looking at one of the most uncertain pandemic economic, external force events we've ever experienced. So we were like, okay, the shits gonna hit the fan. So we responded very decisively and aggressively, we went and cut cost, cut cost deeply across the business. It was very tough. We did three rounds of of layoffs. We massively scaled down on office space, we've always typically been in a company that had a lot of office space, an in office culture, and obviously, with the pandemic that changed. So a lot of people were working remotely. So we took 50% of those savings, and we put it back into cash flow and profits, just to make sure we were readyf t ihese extenuating circumstances amplified. Then the other 50% we put into growth and innovation provision. So since then, we've increased what we spend on marketing by five times. So it's been five times what we were okay. We deeply analyzed our our target markets, we really looked at our entire offering, the way it's packaged. Probably one of the biggest investments, apart from the marketing and lead generation, which very proud to say 2022 is the best organic growth year we've ever had, but it took years for it to land. Then we got the lead generation, right and then we came up with a totally new offering, which is this innovate offering. We started that journey probably two and a half years ago, we went out and did interviews of potential people that would that would benefit from this type of offering. We spoke to our customers. So now it's in a place where it's thriving. But there was a massive product development debit. So from there we were spending a fifth of what we are today on marketing. So we are massively amplified, that we really looked at the products. How relevant are they? Are they solving our customers business challenges? What I have found is, every two to three years, we need to almost reinvent ourselves. So we've got quite a comprehensive strategic planning process that includes an internal and external analysis, a SWOT basically. We have a hard look at what's working, what's not working, we look at staff satisfaction surveys, we look at the customer satisfaction surveys. We rethink. It was clear, we had to do one of those reinventions not just because of the market, but some of our own thinking had gotten stale. We needed to reinvigorate that.

**Matthew Todd**

I can imagine, especially in a tech industry, there is so much innovation constantly happening, like there's new services from Amazon, Microsoft, and hundreds and thousands of startups coming along all the time. So it definitely is an industry that just moves pretty fast.

**Orrin Klopper**

You just look at the Microsoft technology stack, and the rate at which they make additional tools and features available. So you have organizations that are paying a significant amount of money for licensing for a bundle of products under the licensing they have, and you won't believe how many amazing opportunities there are to just switch on one particular thing, or draft adoption with one particular thing. It has a massive impact. I'll give you an example of something that we did. So what happened during COVID with remote working is a lot of our people were just doing back to back meetings. When you look at employee engagement, even though you're not traveling, and maybe you can work in the comfort of your own home, back to back meetings will drive you crazy, you'll go you'll go insane. So simply just changing the default meeting time to 45 minutes when you schedule an hour, or 25 minutes when you schedule 30 minutes. So little things like that that you can do. In terms of company culture, especially with the changes in the pandemic, but even before that, as you've grown and evolved the company, how have you approached company culture to start with, as well as being able to continue to evolve it. 2020 was very tough. It was tough on our culture. It was tough on our people. Three rounds of layoffs is is not pleasant for any business. To be honest, it hurt to culture. But we continuously communicated. Even when we didn't have updates, we would just say, look, we don't have a specific update in this area. So we communicated, communicated, communicated, communicated. I think people realized that our survival was at stake. We needed to do what we had to do. So I think, although there's damage in the culture, when you do that, it's also how you deal with it, that will protect the culture and enable it to bounce back. So as I said earlier, we were predominantly an in office culture, probably 70%, we were in office, and we scaled back massively on office space, and we allowed everybody to work remotely. At some point, you had to work remotely. So the one part of the culture is called a dream connect. So, what we realized, as we grew, there were people in different parts of the business that never ever got to know each other because we weren't doing get togethers we weren't in the office. So what we do is we encourage you to do three to four dream connects a month. So, in our 300 plus people, we've got people in Poland, we've got people in Peru, we've got people in various parts of the US, people in South Africa. We encourage people to sit schedule a 30 minute dream connect, where you get together, and you just, you just connect. If you've got your dream book, so most of our people have a dream book, you share your dream book, and your dream book is your top 10 personal goals and dreams visualized. So there's a whole process behind how you create that we keep it pretty simple and light. You show your top 10 personal goals and dreams to each other. It's it's amazing there's something that happens when to open, authentic human beings get together and they shared genuinely what they each want in their lives. There's something that happens. It creates a connection. In general, the human spirit, we want to see people achieve what they want in their lives. So that's one thing that we leaned on during the pandemic really significantly, was dream connect. And obviously, the dreams program itself, where each person gets put into a dream group. I think one of the things that protected our culture during this term was we had had very, very low staff attrition. There was a history of people spending time together, that we were still leaning on. I think for new people joining the business, it must have been and probably was, a lot harder than if you joined the business where first day you in the office, you're meeting everybody. So I don't think we've found our feet 100% yet as far as what the new natured culture looks like, but we heavily leaning into the dreams program. We will continue to do that. We are doing and investing in more face to face time. But I don't think we'll ever return to the in office dynamic we had. Probably the last thing I will share from a culture perspective. We have a guy on our team, his name is Nsika. He's in recruitment. Super bright, talented young guy and we had a submission on our changable board. So basically our changable board is where you can submit a question anonymously, and you need to answer it in the all company meeting. So we've had some tough questions. So we really try to celebrate gratitude in our culture. Whether you're in office or you remote, this is something that you can really, really lean into. Brian, my partner had come up with this gratitude format called wild moments where you recognize people in the business for things that they've done either for our customers or for you and your team. Then we got a submission on the changable board where someone said, they feel that the wild moments have lost some of the gravity. I took it personally but I said let me try and see if we can learn from this. We did a survey and the majority of the business felt that it had. So we went away, and really spoke to a lot of people did some research, and he reinvigorated our gratitude approaches within the business. He added an additional gratitude moment called Sawubona, which is basically Zulu, for I see you. He added this piece and a nuance to it. So we have wild moments, we have Sawubona in our all company meetings where people just thank each other. If look at our staff satisfaction survey, which we've done every six months for probably the last 15, 20 years, the gratitude one went up directly after he did that and gratitude I believe, is one of the most powerful forces in any culture. It is just if celebrated authentically, and specifically, it is so so that definitely helped us during this time.

**Matthew Todd**

Gratitude is so important and I've been in previous companies that I've worked for where they introduced those kinds of programs. I think in one instance, it was a US firm that had acquired the company and they introduced this, it was already part of their culture, they were trying to introduce it, to ask them for an engineering group in a small engineering group and a British company being asked to do this, it was quite alien to us at the time. It felt a bit awkward to start with, but I think once everyone did get into it and get into the habit, you know, you saw the, the massive benefits it could have in the culture, people, value and recognition came to light.

**Orrin Klopper**

For sure. Even with our acquisitive growth, some of these nuances, you can see initially, it seems if they're not, this is not necessarily how they show gratitude or the dreams program, there is this initial cynicism and doubt and worry that is this them trying to manipulate me or something. But generally, it's received unbelievably well.

**Matthew Todd**

If you can be consistent in the way that you try to try to develop a positive culture than I think it, you know, people are then trustworthy, you gain their trust if they see you as someone who is trustworthy and see those as genuine things that you're trying to do, because it aligns with the things that you've done before and continue to do after it. Right.

**Orrin Klopper**

The word consistency is so important, because it's not a phase.

**Matthew Todd**

It would be interesting to hear some learnings that our audience, maybe early on in their journey, might be able to take away? Maybe they have got some traction, they're starting to scale, starting to expand their team, what advice would you would you offer people at that stage?

**Orrin Klopper**

So we raised some money in 2000. It was the first time we ever raised money, apart from the $2,000 my mom loaned me. It was, it was such an exciting time, there was so much hype in the IT industry. We literally had seven letters of interest. I think if anybody had done their diligence properly at that time, nobody would have. We've done well now, but there were were more questions than answers. At that time, there was a frenzy just to fund businesses, which is not unlike the frenzy, we just went through now in the SaaS world. People were just getting money left, right and center. So we were so excited and we were pretty dead set on not giving up equity. Because we felt we have a clear view and there were quite a few people that were wanting to take an equity position. So we took a we took a loan from an organization that was, they use the term IRR, which I know what our means now. But go back 22 years, IRR and interest seemed like a similar thing. It basically had to achieve a 20% IRR for them. We thought, okay, this is great, we're not having to give up equity. But if you actually worked it out, it might have worked out cheaper, too give out equity because it was so expensive. So anyway, we've been paying back a monthly amount that we had to pay for this for this facility, or for this for this loan, and we've been paying it and then each month we got a statement from this provider saying thank you. On their statement had not applied the proper IRR so we actually owed them a lot more money than it said on the statements on a balance. Long story short. It was such a balloon on our balance sheet. At the time, interest rates were very high and they came down quite quickly. This was in South Africa at the time. But the interest rate and the agreement was fixed so we had a bit of an angle to go back to the provider and said, look, things have changed. To their credit, they let us settle. So we started an ISP, about 18 months, two years before we went to settle that debt. So we had some cash, we made an offer, they said they would accept that we were able to get out of it. But we had this noose around our neck and in our balance sheet the debt was significantly understood. I suppose the learning for anybody out there that is looking at funding right now. You know, whether you're, whether you're a programmer or a developer, or just a real entrepreneur, deeply understanding what the terms and conditions are in that agreement, and making sure even if it's not in the agreement, you actually do scenarios for yourself. bad scenario, what are the numbers actually look like, middle of the road scenario, and highroad scenario where you understand the numbers, and then you confirm with that debt provider or lender, whoever it is, what what those amounts, what those amounts will be, was a big, big learning from us. So we've never made that mistake again. Obviously, we didn't have a budget. So we were probably a little too frugal with the advice that we got. The learning would be the right lawyer and the right CPA or see a finance person who knows and understands that.

**Matthew Todd**

That's great advice, especially with so many different types of finance and funding available to people. Now, I think some founders can certainly be overly keen and excited because they've found a route that they think is going to grow their business, but there is such a thing as expensive money.

**Orrin Klopper**

Yes. Now, but it was crazy. I mean, even last year, during before the markets couldn't kind of correct it in our world. I mean, there was the institutions that were literally just looking at your annuity, and just giving you like a whole chunk of that. We we managed to get, like almost $2 million. I think from start to finish it was five weeks. Well, from the first meeting, we had the money. We haven't gone out and looked for money again recently. I don't think in that time, I've ever seen as much capital available, whether you're in Europe, or in the US, they were the sort of annuity, you know, if they were saying if you've got a certain amount of AR as a SaaS business, that will literally give you a percentage of that. I don't know how that is lost. I know one of them. I saw now all three of the founders have resigned. So I don't know what's going on with some of those, some of those some of those companies, because we don't have funding with them anymore. It seems crazy how much money was out there and how easily accessible it was.

**Matthew Todd**

I think it still exists,. US equity financing is corrected a little to some, you know, crazy growth strategies and tactics that you're seeing, you know, a few years ago, but I think there are still quite a lot of companies willing to lend based on arr. Based on the contracts that you've got on the books, they'll they'll lend a decent percentage of those to steal. But I think yeah, for any founder, I think consider, as you say, the worst case, the average case, the best case scenario is when you you love to take on anything like that. Yeah,

**Orrin Klopper**

I'm deeply understanding that. The other thing, we've gone through two resets. Okay. 2001, 2002, 2008, 2009. COVID and the pandemics is almost it's own example. We don't know how hard does this economic correction is going to hit everybody saying it's coming in the first quarter of next year. To share a little bit of my experience as an entrepreneur. So the 2001, 2002 one, we just raised that money, we'd suddenly started spending money. So, we hired a proper marketing manager and suddenly now we add money, whereas before that we would negotiate with you to pay your salary weekly, because our cash flow was so tight. So what have we done in in that time? There is no greater opportunity in my opinion as an entrepreneur, than the burning platform, and economic reset brings, nothing. It is one of the greatest opportunities. We went overboard with communication, communicated with everybody in the leadership team again and again and again. We said, we're going to confront the reality, we're going to make the tough decisions. As entrepreneurs, these were decisions that you could say are soul destroying, but as leaders in business, you need to make these decisions. Then we were obsessed with turning, turning the tough situation into an opportunity. So we went and confronted the reality, viciously cut costs. Then in the same breath, how do you turn an economic reset into opportunity? Because what happens in an economic reset? Change. Everybody's rethinking their business and saying, how's this going to impact my business? How am I going to turn it into opportunity? What partners are they out there that can potentially help me in this time? Yes, it's tough. Maybe you got to let go ofsome people that you didn't want to let go, and you got to cut. We used to have a service where people come and maintain the plants in our office. We don't have that anymore. That was the first thing in our reset. It's the same dynamic, when you're struggling with someone in your team, and you got a feeling in your guts, not the right person. The same thing with an economic reset, when you feel it in your guts. be unbelievably decisive, because what will happen is you'll turn it into opportunity, and you'll up maneuver your competitors. We've seen that again and again.

**Matthew Todd**

It goes back to what you were saying earlier, what we were discussing about, you know, really fine tuning, nailing that niche and that positioning, so that you have something very, very clear, differentiated and compelling. The guarantees that we talked about coming to that as well. So if you can go to the market with clarity, then there is always opportunity. But, you know, with those kind of resets, though, how do you think people can maximize their chances of success, meet that opportunity that is there amongst all of the other noise and confusion that might be going on around them?

**Orrin Klopper**

Your point on clarity is is a big one. If our messages, as entrepreneurs and business owners is clear and we can clearly connect what our product or service will do for a key and important problem or challenge in their business and it's clear the persona and the industry, we are now becoming part of how they can turn this tough reality into an opportunity. If you look at our typical type of customer, they're all spending on technology. They've invested heavily in technology. Now they're going into a term where there's an economic receipt, and they need their people to be as productive and communicate as effectively as they possibly can. Leveraging the technology platform is a fantastic opportunity to be able to do that. So in our minds, if organizations are going into the economic reset, we think leveraging the technology in an effective way can be a powerful method to align, create concurrency, and momentum in the face of a tough economic reset. Wwe will go and we will look at the licensing that they have and if they're paying for licensing that they're not using, and if they don't plan to use it, then just change the licensing so you can actually cut costs. What we've been very good at as well is finding cost cutting opportunities. So if there is a cost cutting dynamic in your offer, or if you can clearly connect the value that your product or service will bring to a pain that they're going to that they are facing and will be potentially amplified. In this time. You're going to be able to turn that that into opportunity.

**Matthew Todd**

Tat's a is a perfect way to describe it and I think for any entrepreneur that is too product focused, too solution focus and not connected enough with their audience and their pain, then that's something that they really need to address. Because as you say that reset actually amplifies that pain in many, many cases. So you're right, if anything, it should create opportunity, if you're already engaging with your market your audience correctly. And if you're not, now is the time to fix that.

**Orrin Klopper**

It's for all of us as entrepreneurs in this time, it's leaning to our strengths, and where these key things that we need, hopefully, we've got that in our team, or find a business or consultant that you can leverage to shore it up in the short term. I'll give product development as an example. Once you've got product market fit, and the gravity momentum's there its great, but sometimes they're theses specialists that have a particular skill. We engaged with this company called neural impact in Canada and they've, they've leveraged the space of neuro marketing, in how you do your messaging, and how you actually manage the sales process. So we engage with them. We still actually have an ongoing engagement with them but we had a particularly intense period where it was able to show up some gaps of skills we did not have internally. It's tough as an entrepreneur sometimes said yourself, which is I'm facing enormous uncertainty. Now, gotta go and find 10 or $20,000, to do this engagement. But the nice thing is, it's once off. We've done that a good few times, where we just don't have those skills in house. We don't have a perfectly experienced World Class Leader in every role. So we took on a fractional CMO. This guy's been a CMO his whole life, 20 years. He was able to take this marketing investment that we make, which is five times what it was in 2020 and actually just align it and and optimize the return we were seeing on that marketing. So sometimes in the blue in the face of a tough economic receipt, you might actually have to invest over and above the cost cutting.

**Matthew Todd**

It's acknowledging where those gaps in skills and capabilities are, isn't it and making it even more important to fill those gaps in that case?

**Orrin Klopper**

I have really enjoyed the conversation so far. I think it's a lot of really good lessons for, for our audience to take away from this as well. And, you know, I'm sure we could, we could talk for many hours more. But before we, we do wrap things up. You know, what's next for next year? At what do you see the next travel or 18 months looking like for you? Yeah. So we are we're, we're in the midst of our strategic planning now, new financial year starts March 1st. We remain very focused on acquisitive growth. So we have some specific targets as far as acquisitive growth over the next two financial years, and what we want to achieve. So we hired a VP of Corporate Development he started about two months ago, literally, his day job is focusing on the m&a. Then, we're unbelievably excited about our innovative offering and the guarantee that it brings and the value that we're seeing this bring to our customers and the impact it's having on their businesses. So if I look strategically at the year ahead, the next two years at least. As far as our strategic planning goes, the next two years is focused on the m&a continue to focus on the product development around our innovate offering and some of our other other offerings. Focus on organic growth and our culture. Those are the four big rocks and we have other some strategies and key things that we're doing but those are the four big rocks that we are focusing on over the next 12 to 24 months.

**Matthew Todd**

I wish you the best of luck and thank you for sharing the lessons today. There's a number of really good key takeaways in terms of market positioning and culture, especially. Thank you for for taking the time today much appreciated.

**Orrin Klopper**

What an absolute pleasure and you guys can find me on LinkedIn or anybody that's listening. I have lots of lots of examples of things I'll share and how many things we got wrong except got a business.

**Matthew Todd**

Thank you for joining me on this episode of Inside the ScaleUp. Remember for the show notes and in depth resources from today's guest, you can find these on the website insidethescale up.com. You can also leave feedback on today's episode, as well as suggest guests and companies you'd like to hear from. Thank you for listening.